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MEMORANDUM  
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FROM: Steven M. Olea  
Director  
Utilities Division

2011 MAY 11 P 4: 34  
EA for SMD  
ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

MAY 11 2011

DATE: May 11, 2011

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RE: GROOM CREEK WATER USERS ASSOCIATION - REQUEST FOR EXTENSION OF COMPLIANCE DEADLINE (DOCKET NO. W-01865A-07-0384 AND W-01865A-07-0385)

In Decision No. 70627, dated November 19, 2008, the Arizona Corporation Commission ("Commission") approved the application of Groom Creek Water Users Association ("Groom Creek" or "Company") for an increase in rates and approval of financing. Decision No. 70627 ordered the following:

"Groom Creek Water Users Association shall file with Docket Control, as a compliance item in this docket, all Approvals of Construction by December 31, 2010."

On April 15, 2011, Groom Creek docketed a filing seeking an extension of time until October 31, 2011 for the provision of the Arizona Department of Environmental Quality ("ADEQ") Approval of Construction ("AOC"). The application letter states that the Company could not comply with the ACC due date of December 31, 2010, because "construction was not complete at that time nor is it yet complete and operational". Further, the application states the following:

"The original due date was set by the ACC before design on this portion of the project was even completed and construction schedules were unknown at that time. The Groom Creek Water Users Association did not have adequate information at that time to know if the date documented in Decision No. 70627 was reasonable or not."

On May 2, 2011, Staff contacted a representative from Groom Creek to discuss the request for extension of time. The individual stated that the Water Infrastructure Finance Authority ("WIFA") financing took much longer than expected because WIFA's attention was devoted to processes associated with obtaining federal stimulus funds through the Environmental Protection Agency. The project has not yet been completed and construction is ongoing. Mr. Miller stated that he expects to be able to provide the required AOC by the requested extension date of October 31, 2011.

Staff does not object to the Company's request for extension of time. Staff recommends that the compliance due date be extended until the Company proposed date of October 31, 2011.

SMO:BKB:lhbm

Originator: Brian K. Bozzo

SERVICE LIST FOR:  
DOCKET NO.

GROOM CREEK WATER USERS ASSOCIATION  
W-01865A-07-0385 AND W-01865A-07-0384)

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